

WAC 208-512A-020 Special rule—Discount of commercial or business paper. A loan or extension of credit arising from the discount of commercial or business paper evidencing an obligation to the person negotiating it with recourse is excluded from the calculation of the general lending limit, subject to the following terms and conditions:

(1) This exclusion applies to negotiable paper given in payment of the purchase price of commodities in domestic or export transactions purchased for resale or to be used in the fabrication of a product, or to be used for any other business purposes which may reasonably be expected to provide funds for payment of the paper; and

(2) Loans or extensions of credit arising from the discount of paper must bear the full recourse endorsement of the owner; provided, however, that:

(a) Loans or extensions of credit arising from the discount of such paper in export transactions may be endorsed by such owner without recourse or with limited recourse, or may be accompanied by a separate agreement for limited recourse; and

(b) If transferred without full recourse, the paper must be supported by an assignment of appropriate insurance covering the political, credit, and transfer risks applicable to the paper.

[Statutory Authority: RCW 30.04.030, 30.04.111, 30.04.215, 30.08.140, 32.08.157, 43.320.040, and 43.320.050 and Section 611 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (codified as section 18(y) of the Federal Deposit Insurance Act, 12 U.S.C. §1828(y)), which takes effect January 21, 2013. WSR 13-03-037, § 208-512A-020, filed 1/8/13, effective 2/8/13.]